

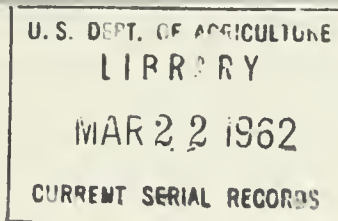
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WORLD BEAN SITUATION, 1961-62

World bean production in 1961 ^{1/} seems to have been above a year earlier. How much is not known because of lack of official estimates from countries which produce one-third of the world's beans. In the rest of the producing area (28 countries reporting) the 1961 crop totaled 101 million bags, or 1.7 million above 1960, 4 million above 1959 and 10 million above the 1950-54 average.

These increases are less significant in the total situation than their magnitude suggests because most of the increase was in Brazil whose large production is largely isolated from international markets. Brazil neither imports nor exports much beans.

Of greater significance is the fact that 1961 bean production was down 2.3 million bags from 1960 in Western Europe, the world's largest importing market; and up 1.3 million bags in the United States, the largest exporting market.

These opposing situations seemingly should sharply stimulate international trade in 1962. But the imbalance of supply is offset to some extent by other factors. The kinds of beans preferred and normally eaten in the major shortage areas differ considerably from the kinds of beans in major surplus in the U. S. Also, there are artificial barriers to the free flow of international trade in several of the shortage areas.

The major surpluses in 1961-62 are U. S. pea beans, used principally by canners; and pintos, used almost exclusively in the U. S. and Mexican grocery trade. The major 1961-62 shortages are in Yugoslavia and France, where canning of beans is negligible. Pintos are practically unknown and the major consumption is of the larger white beans.

^{1/} Summary of remarks made by Orval E. Goodsell, Marketing Specialist, Foreign Agricultural Service (United States Department of Agriculture), Washington, D. C., delivered at the 5th Annual Bean Research Conference in Denver, Colorado.

The problems created by taste or use preferences and by trade barriers vary from country to country; therefore, the principal countries are treated separately below:

IMPORTING MARKETS

Yugoslavia: The sharpest decrease reported in 1961 production was in Yugoslavia where the crop was 3.1 million bags, or 35 percent below 1960 and almost 2 million bags below 1959. Yugoslavia has imported U.S. beans in several previous years, nearly all under U.S. Government export programs. Since World War II, Yugoslavia has exported beans in some years and imported in others. Before the war, Yugoslavia was a **sizeable** exporter of beans to Western European countries.

Yugoslavs prefer white beans of the larger size grocery types. It has requested no beans from the U.S. under Government programs so far in 1962.

France: The second sharpest decrease was in France, where the 1961 crop was 600,000 bags or 22 percent below 1960. It was almost as low as in 1959 when France opened its market to U.S. beans for the first time after the war. In the 1959-60 season, France purchased 232,000 bags of U.S. beans. Of these, 127,000 bags were pea beans and 97,000 bags were Northerns. France purchased some U.S. beans late in 1961.

France normally imports 300,000 bags annually, but is expected to import 800,000 bags in 1961-62. France uses beans for two purposes: A moderate quantity for canning, for which pea beans are well adapted; and a larger quantity for the grocery trade. For the latter, the French prefer the larger white beans, such as the French flageolet, which is similar to the U.S. Great Northern or the larger white beans of Eastern Europe. France usually buys in Eastern Europe and Africa.

Spain: The Spanish 1961 bean crop is estimated at 100,000 bags less than in 1960, but double the level of 10 years ago. Spanish per capita consumption has increased in recent years, now averaging about 9.5 pounds. This is up one pound from the 1950-54 average, but only two-thirds of the pre-Spanish War average of 14.6 pounds.

The consumption rise has resulted largely from increased domestic production, as there have been few imports until the last two years. This recent move toward greater imports has been accompanied by a slight two-year downward trend of Spanish production. There should be even less production in 1962 because of the Government's program to increase wheat acreage and the likelihood that cotton acreage will expand due to favorable returns from cotton in 1961.

Bean imports were expected to pick up in 1962 due to the shorter crop. Also, imports of beans were put on the liberalized list on September 1, 1961. From now on, the General Supply Commission will lose control of purchases abroad. The United States has been the most important source of Spanish bean imports in recent years, although principally under U.S. Government programs. Spain has no large bean canning industry and uses principally grocery-type beans.

Italy: Historically, Italy has imported considerably more beans than it has exported; but this situation has reversed in two out of the three last years. Thus, notwithstanding a 6 percent shorter crop in 1961, the production was still one million bags or 30 percent above the 1950-54 average.

Italy is now exporting a few beans to France and West Germany and expects to export about 100,000 bags in 1962. Italy usually exports beans even when importing. Each year, 5,000 to 10,000 bags of Italian Cannellini beans come to the United States for use by people of Italian descent.

Greece: Greece does not expect to import in 1962 due to carryover from its record 1960 crop. The 1961 crop, although down from the preceding year, was the second largest on record.

Because of its large crops in 1960 and 1961, Greece recently sold 350 tons of beans to Israel, and the Greek Government purchased 450 tons additional to strengthen the sagging domestic bean prices. These beans will be used by the Greek armed forces, which previously have been supplied with imported beans purchased under the now familiar Greek tenders.

United Kingdom and Germany: The two largest bean importing markets in Europe produce few, if any, edible beans; thus, the decline of 1961 production has little effect upon the 1962 demand for imports in these countries.

Bean imports into the United Kingdom average almost 1.5 million bags a year and are used for British canning and the grocery trade. The substantial and growing canning industry uses about 1.0 million bags a year. Cannerys prefer smaller white beans such as Michigan pea beans, Chilean Arroz, and the smaller white beans of the Danube Basin. Some larger beans, including limas from the Malagasy Republic, also are canned.

The grocery trade uses larger white and colored beans. The colored beans are used primarily by immigrants who prefer beans from their native lands.

Reportedly, British cannerys now have stocks sufficient for several month's operation, which is normal for the canning industry. Stocks of beans in the hands of traders who supply cannerys or grocers are reportedly below normal.

Bean imports into West Germany are used for feed, grocery, and canning in that order of importance. Of the 1.2 million bags imported in 1961, almost half were low-cost beans from Communist China, probably intended for livestock feed. The other half, mostly good quality, was used in the grocery trade, with 130,000 bags for canning.

There is a shift in German consumption patterns from household cooking toward factory preparations of packaged and canned beans. Whereas five canning factories were canning dry beans in 1958, today there are twenty factories. Imports of food beans for 1962 are expected to be 350,000 bags. Most of these will be for the grocery trade where the larger white beans are preferred.

Cuba: Outside Europe, the largest importing has been, and possibly still is, Cuba. No information is available directly from Cuba, but it is known that Cubans have been purchasing beans in Eastern Europe, Chile, Africa, Canada, and Japan, thus absorbing supplies that otherwise would compete elsewhere with U.S. beans.

Mexico: Mexico reports 1961 production at a record 13.7 million bags, up 400,000 from last year and almost 8 million bags above the 1950-54 average. During the U.S. marketing year ending August 31, 1961, the United States sold 460,000 bags of pinto beans to Mexico. Probably due to the larger crop, Mexican bean prices have declined. Black bean prices dropped from \$9.15 per cwt in January, 1961, to \$8.65 the following November; red beans from \$9.35 to \$7.45; and Bayo gordo from \$8.70 to \$5.25. It would appear that the Mexican demand for U.S. pinto beans will be less in 1962.

EXPORTING MARKETS

Western Europe bean imports came principally from the United States, Eastern Europe, Chile, Africa, and Japan in that order.

United States: The United States has a sizeable exportable supply this year consisting principally of pea beans, the bulk of which normally goes to Britain for canning; and Pintos which go principally to Mexico. The supply of pea beans is at a record high.

Balkans: Production data are not available from the Eastern European Communist areas, but 1961 is known to have been droughty. The Danube River was at its lowest in 100 years; so low that ships were tied up. The drought broke in November. Fall plowing was difficult because of the dryness. Corn production was reduced 20 percent on the average, and as much as 35 percent in Yugoslavia and Hungary. Since 40 to 80 percent of the beans in these countries are interplanted with corn, the 1961 bean harvest undoubtedly was low.

In addition to the drought factor, is the fact that exports from these countries have declined 70 percent in the last three years, notwithstanding some good crop years. In 1959 these countries produced good crops. Nevertheless, Western Europe imported only 360,000 bags of Eastern European beans that year, and only 340,000 bags in 1960. Western European importers report that few beans will be exported from Rumania or Hungary this year and less than usual from Bulgaria.

Chile: Chile's 1961 crop was harvested in March and April and probably is now sold. The 1962 crop will soon be harvested. In the last two years, outbreaks of weevil have been serious enough to cause Germany to cease buying Cristales. The Germans report weevils in Arroz beans also; however, control measures are reported to be improving the weevil situation with respect to Arroz for export. The quality of Arroz beans in Chile has deteriorated in recent years, probably due to inbreeding of seed.

Africa: There is little information concerning bean production in Africa in any year. Western European importers have been importing about 500,000 bags annually

from all of Africa, about half of which have been butter beans from the Malagasy Republic. Some quantities of smaller white beans have been imported at a cost low enough to suggest that they may be used in feed mixes with probably a few going to the grocery or canning trade.

Japan: Japan's bean crop, exclusive of Adzukis (cow peas) and other pulses, declined in 1961 to 2.8 million bags or 11 percent below 1960 and 15 percent below 1959. Bean consumption in Japan is rising because of improving economic conditions.

Japanese exports in 1960 totaled 400,000 bags of kidney-type beans and in January-June, 1961, 150,000 bags. In 1960, 175,000 bags went to Cuba; 190,000 bags went to Western Europe; and 43,000 bags to Australia. With bean production down in 1961 and domestic use up, it is doubtful if Japan will export as many beans in 1962 as in 1961 or in 1960.

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